

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 9 NOVEMBER 2007**

I. UFC ISSUES:

A. The CFO/Civil Reports Division Chief participated in the daily teleconferences with DFAS-Indianapolis, the DFAS Centers, and OSD Comptroller's office on outstanding issues with the year-end CFO financial statements.

B. The Civil Reports Team completed the analysis of the Civil and Revolving Fund abnormal general ledgers and forwarded their findings to the USACE activities. Civil and Military Cash Reports for October 2007 were submitted on time and accurately.

C. The Cash and Military Reports Division continues to work with the PwC auditors by providing requested documents and supporting explanations.

D. Members of the Cash and Military Reports Division have responded to data calls from HQUSACE and DFAS for Iraqi Relief and Reconstruction Funds (IRRF) and Iraqi Security Forces Funds (ISFF).

E. The Treasury Offset Program (TOP) was implemented in mid-July 07. To date, prior to vendor payment, we have successfully offset more than \$1,000,000 in vendor debt owed to the U.S. Government. Those offset funds have been transferred to the Treasury for further transfer to the agencies holding the vendor debts.

F. On 5 November, the Resource Management Division participated in a teleconference with representatives of HQUSACE (CERM-F) regarding the accounting for ACE-IT support costs. We discussed the accounting treatment of the three types of cost, i.e. firm fixed, reimbursable, and project costs. We provided a detailed explanation of the procedures we use to distribute the UFC and ULA support costs to USACE activities, including the recording of customers orders and the establishment of the PRC for in-house distribution of actual costs. Discussions also included possible alternatives for this accounting regarding resource codes, facility accounts, and line items.

G. We have fully implemented the consolidation of the TDY post audit function to the UFC. We completed the outfitting of office space including construction of cubicles and transfer of

equipment and phone lines. We have made some revisions to the transmittal form, because travelers continue to attempt to fax the documentation to our POC's phone number rather than the fax number. Another major problem is the timing difference between transmission of the travel documents and the date when vouchers are actually approved in CEFMS. Often the documents are transmitted prior to voucher approval, so we must continuously review these documents until the voucher appears in our CEEMIS report used to track document submission. Another significant challenge has been the volume of documentation that we are receiving, the majority via fax. We are using four fax machines to accommodate this volume, in addition to the documents which are emailed to us.

H. The UFC has completed an audit of commercial payments for the fourth quarter of FY06 (July through September 2006). This audit identified a few problem areas that merit mention. One common error noted was the frequent misuse of the Prompt Payment Act (PPA) indicator in CEFMS. Obligations were often coded PPA exempt when they should not have been; and conversely, obligations that should have been coded PPA exempt were not. In addition, there were several cases where USACE activities did not date stamp vendor invoices when received. This can adversely affect payment due date determinations. Also, it was noted in several instances that payment terms and accounting line/appropriation data documented in hard copy contracts did not agree with the corresponding data reflected in CEFMS.

I. The UFC recently compiled a summary report for the first quarter FY 2007 TDY audit results. Of the 2,256 vouchers audited, 786 (34.8%) had a monetary error or errors. This percentage compares to a 48.1% error rate for the fourth quarter of FY06, and a 24.9% third quarter FY06 error rate. As has been the case in the past, due diligence by travel voucher approving officials would have identified many of the errors prior to payment. Los Angeles, Sacramento, and Tulsa Districts have not submitted audit results for multiple months.

J. On 25 October, the annual Occupational Safety and Health (OSH) Inspection of Naval Support Activity Mid-South Buildings was conducted at the UFC facility. Present were Larry Proctor (OSH Official), Gary Hudson (UFC Facility Manager), and Mike Fobes (Union Safety Representative). The inspection took approximately two hours to complete, with only one discrepancy identified, i.e. a recent roof leak which was a potential electrical hazard. The discrepancy was reported to the Base Operations Support Contractor and corrected.

K. On 8 November, the UFC Facility/Security/Safety Manager submitted the updated Antiterrorism Force Protection Plan to the Public Safety Department/Security Division, Naval Support Activity Mid-South. The plan will be incorporated into the Physical Security Plan Naval Support Activity Mid-South which will serve as the overall Antiterrorism Force Protection Plan for the installation.

L. The WINIATS System Acceptance Test (SAT) was successfully conducted 22 Oct - 2 Nov 07. Those involved in the testing were Shelia Lawson and Ray Bachur from DFAS and Judy Riffel, Tim Brooks, and Kevin Mack from the Finance Center. The database was converted to Winiats 6.0.9 and a new version of Defense Table of Official Distances (DTOD) was installed. As changes were made each day, additional updates were loaded on the Travel Division computers.

II. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

LOCATION	ONBOARD
MILLINGTON:	209
HUNTSVILLE:	23
USACE HQ:	1
TOTAL:	233

B. DISBURSING WORKLOAD DATA

PAYMENT	CURRENT MONTH 01-06 Nov	YEAR TO DATE 01-Oct - 06 Nov 07
CHECKS:		
CHECKS ISSUED	1721	8178
PERCENT OF TOTAL	6%	5%
DOLLAR AMOUNT	\$18,479,221	\$491,910,698
EFT:		
TRANSFERS MADE	16299	83592
PERCENT OF TOTAL	94%	95%
DOLLAR AMOUNT	\$129,326,607	\$2,531,065,185

*percentages adjusted for utility checks which do not have to participate in EFT

III. CEFMS:

A. We have provided PwC auditors with reconciliation files, transaction registers and labor subsidiary files for October 2007. The reconciliations consist of the following USACE corporate data files:

- Reconciliation of the civil labor hours detail data to the civil labor transaction registers for expense general ledgers.

- Reconciliation of the civil and military labor hours detail data to the labor transaction registers to balance revolving fund revenue general ledgers.

B. We provided the PwC auditors with a detailed extract of the \$3.8 billion in Civil financed unfilled customer orders as of 30 Sep 07.

C. The data pull generated for SIGIR auditors in September was modified in October. They requested additional and more specific breakouts of the data already sent. We had to select all financial data for the end of fiscal year 2004 and further break it out by work category codes. All data was then transferred into an Excel spreadsheet.

D. We provided detailed explanations to Bill Holtzman at HQUSACE (CERM-F) to assist PwC with questions pertaining to labor calculations. The explanation outlined and demonstrated via print screens, the labor transactions source names and functions. We are in the process of explaining payroll samples for auditors. Further, we provided assistance in responding to payroll questions for audit purposes pertaining to foreign national payroll costs and transactions in CEFMS.

E. The first part of the labor reconciliations process has been completed. Data can now be extracted from the labor universes (that are provided to the PwC) on the TESTCORR database in a report format for validation/reconciliation purposes. The data can be extracted by individual FOAs or all FOAs by accounting period.

F. Three labor reconciliation reports have been created. The only selection parameter for all three reports is accounting period. The reports and descriptions are listed below:

- Civil Recon GLAC to Labor Hours Detail - report id: lbcivrepd. This report reflects general ledger balances and labor hours detail balances pertaining to civil labor for an accounting period.

- Military Recon GLAC to Labor Hours Detail - report id: lbmilrecpd. This report reflects general ledger balances and labor hours detail balances pertaining to military labor for an accounting period.

- Income/Non Prod Cost GLAC to Labor Hours Detail - report id: lbtotrecpd. This report reflects total transaction register balances and labor hours detail balances for civil and military labor for an accounting period. Any variances are noted and undisbursed imbalances information is provided.

These reports have been added to the CEFMS-BIMN stack that will run the 15th of each month and an email will be sent to the labor reconciliations functional point of contact with notification of imbalances. They have also been added to the CASH_RPTS stack that will run on Tuesday, Thursday, and Sunday for the last seven days of the month. An email will also be sent pertaining to imbalances from this stack as well.

G. The second part of the labor reconciliations process is ninety-five percent complete. A load procedure has been added to the CEFMS-MNTH stack to load r_ tables from production to be compared for verification and research purposes with the labor universes sent to PwC. Two reports are completed and the third report should be completed within the week.

H. We have analyzed and prepared specifications for required programming modifications and general ledger correlation changes for General Funds Receipt Accounts. These changes are in accordance with Treasury Financial Manual US Government Standard General Ledger Supplement S2 07-02 dated Aug 2007, to address changes for USSGL reporting for custodial collections that are NOT reported on the Statement of Custodial Activity.

I. We have begun the conversion of processes from COBOL to other methods of coding. The processes affected include the receipt voucher program and the foreign currency purchases revaluation program. We have taken steps to ensure proper coding development through training, meetings, and compliance to new standards.

J. Customer order subsidiary amounts and general ledger amounts must be consistent for our financial reports to be correct. We implemented an unfilled customer order imbalance screen that identifies differences between the unfilled customer order general ledger and subsidiary amounts. We also implemented an email to advise the customer order financial point of contact, the last person to financially approve a customer order amendment or a supervisory accountant of an unfilled customer order imbalance and the requirement to correct it. Additionally, we implemented four unfilled order imbalance reports that can be used to ensure the unfilled customer order subsidiary is consistent with the unfilled order general ledger. As of 30 Sep 07, USACE had \$3.8 billion in Civil financed unfilled customer orders.

IV. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	762	699
Priority #1 Problems	147	104

We received 222 new problem reports and completed 159 problem reports.

B. Database Imbalances on our 59 Production Activities:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	57	52
One	2	7